

CITY OF MIAMI BEACH

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COMMISSION MEMORANDUM

To: Mayor David Dermer and
Members of the City Commission

Date: February 5, 2003

From: Jorge M. Gonzalez
City Manager

**Subject: REPORT OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE
MEETING OF JANUARY 29, 2003.**

A meeting of the Finance and Citywide Projects Committee was held January 29, 2003, at 3:25 p.m. in the City Manager's Large Conference Room.

Chairman Commissioner Jose Smith, and Commissioner's Luis R. Garcia, Jr., Matti Herrera-Bower, Saul Gross, and Richard Steinberg were in attendance.

City staff was represented by: Jorge M. Gonzalez, City Manager; Patricia D. Walker, Chief Financial Officer; Robert Middaugh, Assistant City Manager; Timothy Hemstreet, Capital Improvement Program Director; Floyd Jordan, Fire Chief; Eric Yuhr, Assistant Fire Chief; Georgina P. Echert, Assistant Finance Director; Jose Cruz, Budget Officer; Manuel Marquez, Finance Manager; Raul Aguila, First Assistant City Attorney; Jorge E. Chartrand, Assistant Capital Improvement Director; Ronnie Singer, Community Information Manager; Kristin Mckew, Capital Projects Administrator; Odessa Pinder, Executive Office Associate I; Dolores M. Mejia, Office Associate V; and Margarita Alcon, Office Associate V.

Others in attendance included: Steve Suarez, JASCO; Todd Tragash, STA Architectural Group; and Jason Jeffers, Sun Post.

1. Status report on the Rehabilitation Project of the Existing Building and the addition to Fire Station No. 2

ACTION

The Committee moved the item to the full Commission, with a recommendation to: reject the proposed Guaranteed Maximum Price (GMP) presented by Jasco (Jasco) Construction Company for the water tanks and pump station portion of the project; sever its relationship with Jasco under the available provisions of the Agreement; proceed with a process of competitive bidding for a replacement construction manager for the water tanks and pump station portions and the Fire Station No. 2

Agenda Item _____

Date _____

portion of the project, with an estimated construction start of June 2003 for the water tanks and pump station and a subsequent construction start for Fire Station No. 2. City Manager Jorge M. Gonzalez introduced and summarized the issues facing the Fire Station No. 2 rehabilitation project, as well as the water tanks and pump station portion of the project.

First Assistant City Attorney Raul Aguila gave a presentation discussing the findings his office had assembled. Jasco was legally incorporated as a separate entity on the same day that the bid proposals for the subject RFP were due. However, Jasco noted in the written responses to the RFP, that they were incorporated in 1999, when in fact they were still an entity affiliated with Mastec and Church & Tower at that time. Mr. Aguila also stated that to comply with the reference requirements of the RFP for projects performed within a period of five years, Jasco presented projects performed while still an affiliate of Mastec and not by Jasco as a separate entity.

Mr. Aguila stated that an argument could be made that the above inconsistencies would have made Jasco non-responsive at the time of selection for the project.

Capital Improvement Program Director Tim Hemstreet gave a presentation discussing the current status of the project and the City's dealings with Jasco. Staff, as well as the respective City consultant's, have concluded that in addition to being significantly over budget in the pricing of some of the components of the project, Jasco did not follow its contract with the City and did not provide the level of input and review required by the agreement.

Mr. Gonzalez stated that it is the recommendation of Administration that the City not accept the GMP for the water tanks and pump station portion of the project and that the relationship with Jasco be severed under the available provisions of the Agreement.

Mr. Gonzalez further stated that it is because of the facts listed today that Administration has lost confidence in the relationship with Jasco and thus is recommending that the Agreement be terminated in accordance with the provisions available and that the project be placed out to bid for a replacement construction manager. The City intends to provide a bid proposal which will require the bidders to assume responsibility for the management of all components of the project and provide a similar timeline as that discussed with Jasco. The bid proposal will also require that both portions of the project be priced separately in order to expedite the start of construction for the water tanks and pump station portion of the project while all funding, value engineering and scope issues for the fire station portion are resolved.

The fire station portion will proceed at a later date. Because the water tanks must be constructed in advance of the fire station, there is a window of approximately six to eight months to complete the value engineering process on the fire station and be ready with a cost by the replacement construction manager for that portion of the project.

Commissioner Richard Steinberg moved the item to the full Commission, recommending that they: reject the proposed GMP presented by Jasco for the water tanks and pump station portion of the project; sever its relationship with Jasco under the available provisions of the

Agreement; proceed with a process of competitive bidding for a replacement construction manager for the water tanks and pump station portions and the Fire Station No. 2 portion of the project, with an estimated construction start of June 2003 for the water tanks and pump station and a subsequent construction start for Fire Station No. 2. Motion seconded. Voice vote was taken. The motion passed 4-1, with Commissioner Garcia dissenting.

The meeting adjourned at 4:50 p.m.

JMG/PDW/mim

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